

QUALITY REGULATIONS

§ 997.20 Incoming regulation.

(a) No handler shall receive or acquire peanuts intended for human consumption, either from a producer or other person, unless such peanuts are inspected pursuant to § 997.50 and are determined to be Segregation 1 peanuts at time of receipt from the producer or, if received from another person, had not been mixed with peanuts of a lower quality than Segregation 1 and meet the following additional requirements specified in this section: *Provided*, That a handler may—

(1) Acquire shelled peanuts from the Commodity Credit Corporation (CCC) or cleaned inshell or shelled peanuts from other handlers, a handler as defined in 7 CFR 998.8, or from buyers who have purchased such peanuts from handlers or from the CCC, if the lot has been certified as meeting the requirements of § 997.30(a) and the identity is maintained; and/or

(2) Perform services for an area association pursuant to a peanut receiving and warehouse contract.

(b) *Moisture and foreign material*—(1) *Moisture*. Except as provided under paragraph (d) of § 997.20, no handler shall receive or acquire peanuts containing more than 10.49 percent moisture: *Provided*, That peanuts of a higher moisture content may be received and dried to not more than 10.49 percent moisture prior to storing or milling. For farmers stock peanuts, moisture determinations shall be rounded to the nearest whole number. Moisture determinations on shelled peanuts shall be carried to the hundredths place.

(2) *Foreign material*. No handler shall receive or acquire farmers stock peanuts containing more than 10.49 percent foreign material, except that peanuts having a higher foreign material content may be received or acquired if they are held separately until milled, or moved over a sand-screen before storage, or shipped directly to a plant for prompt shelling. The term *sand-screen* means any type of farmers stock cleaner which, when in use, removes sand and dirt.

(c) *Damage*. For the purpose of determining damage, other than concealed damage, on farmers stock peanuts, all

percentage determinations shall be rounded to the nearest whole number.

(d) *Seed peanuts*. Peanuts which are not Segregation 1 peanuts and therefore cannot be acquired for human consumption may be acquired, shelled and delivered for seed purposes. Peanuts intended for seed use, produced under the auspices of a State agency which regulates or controls the production of seed peanuts, which do not meet Segregation 1 requirements shall be stored and shelled separate from peanuts intended for human consumption. However, Segregation 2 seed peanuts, produced under the auspices of the State agency, which contain up to 3.00 percent damaged kernels and are free from visible *Aspergillus flavus* may be stored and shelled with Segregation 1 peanuts which are also produced under the auspices of the State agency. A handler whose operations include custom seed shelling may receive, custom shell, and deliver for seed purposes farmers stock peanuts, and such peanuts shall be exempt from the requirements of this section and, therefore, shall not be required to be inspected and certified as meeting these requirements, and the handler shall report to the Division the weight of each lot of farmers stock peanuts received on such basis on a form provided by the Department. However, handlers who acquire seed peanut residuals from their custom shelling of uninspected (farmers stock) seed peanuts or from another person may mill such residuals with other receipts or acquisitions of the handler, and such peanuts which meet the requirements specified in § 997.30(a) may be disposed of by sale to human consumption outlets.

(e) *Oilstock*. Handlers may acquire for disposition to domestic crushing or export farmers stock peanuts of a lower quality than Segregation 1 or grades or sizes of shelled peanuts or cleaned inshell peanuts which fail to meet the requirements for human consumption. Handlers may act as accumulators and acquire, for other handlers; a handler as defined in 7 CFR 998.8 or from other persons, Segregation 2 or 3 farmers stock peanuts. Handlers may also acquire shelled peanuts originating from Segregation 2 or 3 farmers stock or the entire mill production of peanuts from

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Segregation 1 farmers stock or lots of shelled peanuts originating from Segregation 1 peanuts and which have been positive lot identified as specified in §997.30(d), which failed to meet the requirements for human consumption pursuant to §997.30(a): *Provided*, That all such acquisitions are held separate from Segregation 1 peanuts acquired for milling or from edible grades of shelled or milled peanuts. Handlers may commingle the Segregation 2 and 3 peanuts or keep them separate and apart. Handlers who acquire farmers stock peanuts of a lower quality than Segregation 1 or cleaned inshell peanuts which fail to meet the requirements for human consumption shall report such acquisitions to the Division as prescribed on a form prescribed by the Division. Handlers who acquire grades or sizes of shelled peanuts which fail to meet the requirements for human consumption for disposition to domestic crushing and subsequent export to countries shall report such disposition on a form provided by the Division.

(f) *Shelled peanuts*. Handlers may acquire shelled peanuts (which originated from "Segregation 1 peanuts") from other handlers or a handler as defined in 7 CFR 998.8, for remilling and subsequent disposition to human consumption outlets. Further disposition of such peanuts shall be regulated by §997.40.

(g) No producer may handle, process, prepare for sale, or otherwise alter peanuts of his own production from the condition of farmers stock, for disposition in human consumption outlets unless such peanuts are first inspected and certified pursuant to §997.50 and meet the applicable requirements of this section.

[62 FR 1259, Jan. 9, 1997]

§997.30 Outgoing regulation.

(a) *Shelled peanuts*. (1) No handler shall dispose of shelled peanuts for human consumption unless such peanuts are positive lot identified, certified "negative" as to aflatoxin and certified as meeting the following requirements:

MAXIMUM LIMITATIONS
[Excluding lots of "splits"]

Type and grade category	Unshelled peanuts and damaged kernels (percent)	Unshelled peanuts, damaged kernels and minor defects (percent)	Fall through			Foreign materials (percent)	Moisture (percent)
			Sound split and broken kernels	Sound whole kernels	Total		
Runner	1.50	2.50	3.00%; $\frac{1}{16}$ inch round screen.	3.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00
Virginia (except No. 2).	1.50	2.50	3.00%; $\frac{1}{16}$ inch round screen.	3.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00
Spanish and Valencia	1.50	2.50	3.00%; $\frac{1}{16}$ inch round screen.	3.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00
No. 2 Virginia	1.50	3.00	6.00%; $\frac{1}{16}$ inch round screen.	6.00%; $\frac{1}{16}$ inch slot screen.	6.00% Both screens.	.20	9.00
Runner with splits (not more than 15% sound splits).	1.50	2.50	3.00%; $\frac{1}{16}$ inch round screen.	3.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00
Virginia with splits (not more than 15% sound splits).	1.50	2.50	3.00%; $\frac{1}{16}$ inch round screen.	3.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00
Spanish & Valencia with splits (not more than 15% sound splits).	1.50	2.50	3.00%; $\frac{1}{16}$ inch round screen.	2.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00
Lots of "splits"							
Runner (not more than 4% sound round whole kernels).	2.00	2.50	3.00%; $\frac{1}{16}$ inch round screen.	3.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00
Virginia (not less than 90% splits).	2.00	2.50	3.00%; $\frac{1}{16}$ inch round screen.	3.00%; $\frac{1}{16}$ inch slot screen.	4.00% Both screens.	.20	9.00